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President: Mr. Barros Melet (Vice-President) ..... (Chile)

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In the absence of Mr. Shava (Zimbabwe), Mr. Barros Melet (Chile), Vice-President, took the Chair.

The meeting was called to order at 10.05 a.m.

Agenda item 7: Operational activities of the United Nations for international development cooperation (*continued*)

(a) Follow-up to policy recommendations of the General Assembly and the Council (*continued*) (A/72/61-E/2017/4)

1. **Mr. Wu** Hongbo (Under-Secretary-General for Economic and Social Affairs), introducing the report of the Secretary-General on the implementation of General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system: funding analysis (A/72/61-E/2017/4), said that quantitatively, the volume of funding for United Nations operational activities for development had more than doubled from 2000 to 2015, taking inflation and exchange-rate differences into account, while funding for United Nations humanitarian activities had more than tripled in real terms. Qualitatively, however, funding in the form of non-core resources had grown roughly six times faster than core resources during the same period, despite repeated calls to address the imbalance between the two types. In that connection, there was little evidence that the donor base of United Nations entities was broadening; most of the funding was still coming directly from Governments. Some progress had been made towards achieving full cost recovery, identified as an incentive to increase core funding.

2. Several United Nations entities had developed or improved publicly accessible online systems to map donor contributions and expenditures, thus improving transparency and accountability, though more remained to be done. The ongoing dialogues on structured financing, which were aimed at clarifying the expected outcomes and impact of the strategic plans of entities of the United Nations development system, also took into consideration stronger ownership by Member States of entities' strategic plans and integrated budgets and better financial management and reporting, and would further the efforts towards full cost recovery. Analysis had shown that well-designed inter-agency pooled funds could address many of the negative effects of strictly earmarked non-core contributions. With regard to the geographic allocation of funding, nearly half of the total country-level expenditures had been spent in Africa in 2015, and humanitarian assistance had dominated expenditures in the nine largest programme countries, except for Afghanistan. The report stressed the need for innovative financing mechanisms to complement official development assistance (ODA). Given that the United Nations development system enjoyed unique neutrality and an absolute advantage as global convener, it was well-placed to explore and make use of those new financing mechanisms in order to achieve development objectives in line with resolution 67/226.

Panel discussion: "Rethinking the funding and financing strategies of the United Nations development system to deliver on the 2030 Agenda"

3. **Mr. Jenks** (Adjunct Professor, School of International and Public Affairs, Columbia University; Senior Adviser, Dag Hammarskjöld Foundation; and former Assistant Secretary-General, United Nations Development Programme), moderator, said that the international community had a responsibility to go beyond the most salient points of the report of the Secretary-General and resolution 67/226 and analyse the transformative implications of the 2030 Agenda for Sustainable Development for finance. He invited the panellists to address the alignment of funding modalities with functions, which was highlighted in the resolution; the shift from funding to an integrated financing strategy, and its implications for the United Nations development system; and the push to leverage and scale up funding to maximize its impact.

4. **Mr. Feyisa** (Director ad interim, United Nations Agencies and Regional Economic Cooperation Directorate, Ministry of Finance and Economic Cooperation, Ethiopia), panellist, said that improvements needed to be made to the United Nations development system so that it could fulfil its role in the implementation of the 2030 Agenda. Ethiopia and other developing countries were of the view that assessed and core contributions should be maintained as the primary sources of funding for the system. Delivering results, communicating with donors and negotiating pledges were important for mobilizing additional core resources. The United Nations development entities must be accountable, transparent and reliable in order to build trust with existing and potential funding partners. The United Nations development system should also enhance the capacities of Member States to mobilize their own domestic resources. Since the system had become more competitive and fragmented as a result of non-core resources, and much of the funding continued to be delivered via earmarking, it should adopt an integrated strategic planning and

budgetary framework that would include core and non-core resources. That would provide a holistic financial picture and compensate for the lack of balance between core and earmarked non-core funds by finding ways to make earmarked resources more "core-like".

5. The United Nations Development Assistance Frameworks and the adoption of the "Delivering as one" approach by some programme countries had strengthened the quality of system-wide resource planning, including at the local level. In Ethiopia, for instance, the model of delivering as one had improved partnerships between the United Nations country team and various development partners in mobilizing resources for joint programmes. Thematic funds and pooled funds would increase flexibility in the use of resources and reduce internal competition for funding, respectively. A commitment among all of the entities of the United Nations development system to channel earmarked non-core resources through thematic or pooled funds would increase the quality of the funding, and the system would earn the confidence of donors by becoming more transparent and efficient.

6. If the United Nations development system was indeed committed to implementing the 2030 Agenda and leaving no one behind, half of the mobilized resources should be allocated to the least developed countries, where most members of vulnerable communities lived. Regardless of whether core resources would ultimately be increased or the quality of funding enhanced, the system must become more transparent, attain the best value for the resources available, and create long-term partnerships with State and non-State actors, as opposed to engaging with them on an ad hoc basis.

7. **Mr. Vongxay** (Deputy Director-General, Department of International Organizations, Ministry of Foreign Affairs, Lao People's Democratic Republic), panellist, said that a serious discussion on how funding approaches could be more sustainable was both relevant and timely. The funding and financing strategies and modalities devised by the United Nations development system needed to take into account specific country contexts, as there had been dynamic changes in the financing landscape, giving rise to significant differences even among countries in the same region. Thus, while Asia was widely thought to be a middle-income region for which official development assistance was becoming less important, ODA remained an extremely important source of financing for the Lao People's Democratic Republic.

8. Notwithstanding the value of global policy processes and estimates of financing needs, country-specific evidence and recommendations were of great value since they provided a framework in which to think about reform and for engaging in dialogue with development partners. Therefore, in 2015, the Lao Government, having recognized the need for data and evidence relating to the financing landscape, had commissioned a development finance assessment to map financing types and trends and to understand the institutional and policy context for channelling finance toward development goals. The assessment had brought to light the need to strike an appropriate balance between the use of ODA to support social sectors and its use to leverage private investment. Since it was anticipated that a majority of the funds for the country's development plan for the 2016-2020 period would come from the private sector, there was an increasing need to use the relatively smaller amount of development cooperation funds to leverage and redirect those private sector flows.

9. Accordingly, the United Nations Capital Investment Fund was supporting a programme in his country to enhance access to financing, in particular for the poor, by expanding mobile banking and the Lao People's Democratic Republic had introduced an e-procurement system similar to that implemented by Bangladesh, which saw an extraordinarily high rate of return on funds spent. Other leveraging initiatives might focus on creating an enabling environment for the private sector, which was a source of tax revenue needed to fund development programmes, and reversing the illicit flow of funds out of developing countries through action on the part of the United Nations development system.

10. In addition to examining funding modalities, whether pass-through or pooled, of the United Nations development system, it was crucial to determine how development cooperation could be leveraged to address the true obstacles to development.

11. **Mr. Silberschmidt** (Director ad interim for Coordinated Resource Mobilization, World Health Organization (WHO)), panellist, spoke about the integration of core and non-core resources at WHO. Although funding for global health projects had grown from US$6 billion in 1990 to $30 billion in 2015, the WHO budget had only gone from $700 million to $2 billion over the same period, with that increase being solely in voluntary contributions rather than assessed contributions. By the outbreak of the 2008-2009 financial crisis, WHO had become an organization with a programme mandate but largely project funding. Its growth had been largely stunted by

the financial crisis, leading to the dismissal of around 1,000 staff members. In response, the Director-General had launched a comprehensive reform programme centred on financing. Previously, member States had not had any power to direct the 80 per cent of the WHO budget that came from non-core extrabudgetary funding, creating a dichotomy between core and non-core funds and activities. In 2013, however, the World Health Assembly had been given the authority to approve the entire budget and the Director-General had been authorized to raise funds up to the full budget amount. Those steps had been followed by bilateral meetings with key contributors and a structured financing dialogue in which members States, contributors and the secretariat had jointly determined how to go about funding the agreed programme of work.

12. The structured financing dialogue had been based on the principles of alignment, flexibility, predictability, transparency and the reduction of vulnerability. Significant progress had been made with respect to predictability, with the percentage of funding known at the start of the biennium increasing from 63 to 83 per cent between 2012 and 2016. Nonetheless, aligning voluntary contributions with programme priorities decided by the World Health Assembly had sometimes been challenging. For example, although issues such as non-communicable diseases and emergency preparedness and response had been identified as being of high priority by the health ministries of beneficiary States through a bottom-up approach, corresponding funding had not been forthcoming from donors. However, with the Assembly now approving the whole budget, there was flexibility to inject funds into high-priority areas. Transparency had also been improved, as illustrated by the creation of an online portal to allow users to track how funds were being used and the results achieved.

13. Important challenges were posed by the overall shortfall in funding. Although the budget had been increased by the World Health Assembly, donors had not responded with corresponding increases in contributions. An integrated model would have to be created in order to align the priorities identified by health ministries with those identified by development agencies. Overall, however, the financing reform implemented by WHO had provided a much more stable base and greater integration in the financing of budgets.

14. **Mr. Gillsäter** (Manager and Representative to the United Nations, World Bank Group Office, New York), panellist, said that, although the World Bank, in its role as an observer to the United Nations Development Group, was not directly subject to the quadrennial comprehensive policy review, the two strategic goals of the World Bank, namely, the elimination of extreme poverty and the promotion of shared prosperity, were closely linked to the goals of the 2030 Agenda for Sustainable Development, to which the Bank was thoroughly committed. The strategic plan of the Bank, entitled "Forward look — A vision for the World Bank Group in 2030", was built upon the 2030 Agenda, and the Agenda served as the compass for the eighteenth replenishment of the International Development Association (IDA), which was the World Bank's window for concessional funding to low-income countries that covered approximately 75 countries. Concluded in December 2016, the replenishment represented the first big deliverable of the Bank on the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, with the envelope for the next three years totalling $75 billion.

15. Development partners had contributed $23 billion to the replenishment envelope, which the Bank had used as leverage to raise funds in the capital markets that, along with payments on previous loans, had generated the $75 billion package. It marked a paradigm shift in the business model of IDA, whose AAA-rating in 2016 would allow it to raise an estimated $20 billion in the financial markets in the third quarter of 2017. Doing so would double the Bank's resources for countries in situations of fragility, conflict and violence from $7 to $14 billion and thus contribute to addressing the root causes of those problems prior to their escalation. The replenishment also included a $2 billion refugee sub-window, a risk-mitigation regime and a private sector window through the International Finance Corporation and the Multilateral Investment Guarantee Agency, through which IDA would work to leverage private sector funding through various instruments. Since the replenishment would be implemented over the next three years, collaboration with United Nations partners would be critical with respect to countries facing situations of fragility, violence and conflict.

16. **Mr. Zambrano** (Observer for Ecuador), speaking on behalf of the Group of 77 and China, said that the quadrennial comprehensive policy review had stressed the need for an adequate quantity and quality of voluntary funding for operational activities for development. Core resources remained the bedrock of the system; while non-core resources provided an important contribution, they must be a complement to, not a substitute for, core resources. The Group of 77 and China wished to express its deep concern at the continuing and accelerated decline in core resources

and the growing imbalance between core and non-core funding. Concrete action had to be taken in order to address that negative trend.

17. The Group of 77 and China was equally concerned at the emphasis on achieving better alignment of funding modalities with functions by singling out the normative function as the one deserving adequate funding. Although General Assembly resolution 71/243 on the quadrennial comprehensive policy review expressed concern over current funding trends and urged donors to address the decline in core contributions and the imbalance between core and non-core resources, it had not called for a paradigm shift in the funding architecture. The notion of the alignment of funding modalities with the functions of the United Nations development system (para. 20 of the resolution) remained as controversial and unclear as it had been during the negotiations. The questions raised by the Group of 77 and China at that time remained unanswered, in particular with respect to the benefit, if any, of the proposed alignment, the criteria that could be used to implement it, its feasibility and its impact on current programming in developing countries at country level.

18. The functions in support of capacity development mentioned in paragraph 21 of resolution 71/243 were illustrative rather than exhaustive and were not related to funding streams. The funding of the United Nations development system should be more flexible rather than more fragmented; the latter would lead to a change for the worse in the understanding of what constituted operational activities for development, in how the entities operated and in the programming process. Although the quadrennial comprehensive policy review mentioned "assisting countries through normative support, as appropriate, in the context of operational activities for development" as one of the functions performed by the United Nations development system in support of capacity-building, it did not attribute a separate funding track or a priority in funding to such normative support. The emphasis on normative activities did not reflect the balance called for in the resolution. Any options for funding to be considered by States for 2018 in the context of the quadrennial comprehensive policy review would be carefully assessed by the Group of 77 and China, taking into account the consistency of those options with the general guidelines of the policy review and with the needs and priorities of developing countries.

19. **Mr. Palma Cerna** (Honduras), referring to the idea of closer cooperation between the United Nations development system and the international financial institutions, the acknowledgement in General Assembly resolution 70/215 that ODA and other forms of concessional financing were still important for a number of middle-income countries and the request in the Addis Ababa Action Agenda and the 2030 Agenda that the United Nations development system create measurements of development that went beyond per capita income, wondered how that cooperation would be operationalized and whether it would be based on the current World Bank definition of middle-income countries or on new measurements that had yet to be developed.

20. **Ms. Luo** Jin (China) said that, in recent years, the decrease and imbalance in resources for development had had a serious impact on the work of the United Nations development system. There were problems in the development system that needed to be resolved. Without development, there could be no peace, which would have a negative impact on the return of refugees to their homes. The work of the development system should be reinforced in the short and long term and all parties should strengthen their support to the system. Core resources were still the foundation of the system. During previous sessions, several countries had promised to increase their ODA. Other developed countries should reflect upon that fact and fulfil their promises to maintain or increase their levels of ODA, increase their contributions to core resources and increase the flexibility of non-core resources. She welcomed the development of partnerships between various United Nations institutions and civil society, private organizations and foundations and other stakeholders, and expressed the hope that the United Nations could mobilize and urge stakeholders to respect the project priorities of programme countries and promote and adhere to the core values of the United Nations as embodied in its Charter and relevant conventions.

21. **Mr. Gad** (Observer for Egypt) expressed concern at 2015 figures that showed a continuing decline in the proportion of financing for operational activities for development; that proportion had reached a historic low. One needed to proceed cautiously in moving towards the integrated financing strategy described in paragraph 10 of the report of the Secretary-General (A/72/61-E/2017/4), which, however interesting, had not been developed as part of the quadrennial comprehensive policy review. The integrated financing strategy set out in paragraph 10 seemed to represent a positive way forward, but paragraph 20 of the same report seemed to imply something different. Looking at development, humanitarian and peacebuilding financing in a complementary manner raised questions

that had not yet been settled among Member States, and that should be borne in mind.

22. **Ms. Fladby** (Norway) said that participants should reflect on the fact that, while the United Nations development system, over the years, had made improvements to resource-based management, to the mainstreaming of gender and to transparency, the Organization's funding was still not fit for purpose. Figure XVIII in the report of the Secretary-General showed that the trend in burden-sharing, defined as the amount of a country's core contributions relative to its gross national income, was not moving in the right direction. It was the responsibility of all Member States to address that issue. Although inter-agency funding mechanisms had long existed and, through the Multi-Partner Trust Fund Office of the United Nations Development Fund (UNDP), had long demonstrated more transparency than individual agencies, the level of contributions to those mechanisms was very low. Norway hoped that the 2030 Agenda and the quadrennial comprehensive policy review, with its emphasis on integrated approaches, would lead to enhanced support to those mechanisms, which was one way, along with core funding, to make funding fit for purpose.

23. Given that several resolutions had placed emphasis on good funding modalities, it also hoped the Secretary-General would come up with proposals for the alignment of funding with functions, as requested in relevant provisions of the quadrennial comprehensive policy review. The availability of good funding was very limited. She called for a discussion of how scarce core resources, or so-called "neutral money", should best be used. Such funds could be provided through other mechanisms, including strict earmarking. A proposal coming from the Secretary-General would attract the attention of politicians. Given that funding was largely a matter of political decisions, that should create forward movement in what was otherwise a depressing picture. The agencies and Member States that had been requested in the quadrennial comprehensive policy review to make improvements to the structured financing dialogues in their respective governing bodies had much to learn from the World Health Organization (WHO) on how to make those dialogues meaningful.

24. **Mr. Murad** (Algeria) said that domestic resource mobilization could make an important contribution. It was possible to increase tax revenues and establish mechanisms that would benefit households. Algeria had invested considerable efforts in building national capacity to boost tax revenue and was planning to launch more projects, but technical assistance would be required. He noted that countries with scant economic resources found it very difficult to generate more income from tax.

25. In terms of international resource mobilization, the International Finance Facility for Immunization was a very innovative mechanism that had made funds available very quickly. He would be interested in hearing the views of Mr. Silberschmidt and Mr. Gillsäter on that initiative and whether such mechanisms could be more widely used.

26. **Ms. Oliveira Sobota** (Brazil) said that it was important to draw a distinction between the Addis Ababa framework on financing the 2030 Agenda as a whole, and the funding of United Nations development cooperation, which was the subject of the quadrennial comprehensive policy review.

27. The United Nations development system certainly had a role to play in supporting countries in implementing the Addis Ababa Action Agenda, in mobilizing resources and in leveraging partnerships. Brazil agreed that funding of the system itself was a problem and it was important to discuss the best use of core resources. However, in General Assembly resolution 71/243, Member States had not asked for a complete overhaul of the system and the way it was funded; it remained ODA- and grant-based. Nevertheless, that did not prevent the system from supporting broader financing strategies. Those points should be borne in mind when discussing the funding proposals for 2018.

28. **Mr. Won** Doyeon (Republic of Korea) said that while funding had decreased by 7 per cent in nominal terms in 2015, exchange-rate factors pointed to a 4 per cent increase in real terms. He asked what action the United Nations was taking to avoid such currency risks and wondered whether the World Bank and the World Health Organization could share their experiences.

29. **Ms. Clifford** (Australia) said that it had been particularly useful to hear how the Addis Ababa Action Agenda and financing assessments were being integrated with approaches to the Sustainable Development Goals in the Lao People's Democratic Republic.

30. She asked whether any aspects of the reforms undertaken by the World Bank and the World Health Organization had been particularly helpful in their conversations with member States about effecting change, especially when it came to relationships with entities such as "vertical funds" and the International Finance Facility for Immunization, or a closer relationship between the International Finance

Corporation and the International Development Association.

31. **Ms. Adams** (Observer for Global Policy Forum and Social Watch) said that the two organizations were very relieved that the segment had opened with a strong emphasis on the real challenges that people were facing.

32. She wondered whether it made sense for a pass-through to be a growth area for funding to the United Nations development system, how that would be measured in terms of results and how it would be reflected in the Secretary-General's request for funding to be aligned with functions. She asked how the impact of the United Nations comparative advantage as an advocate for international norms and standards would be assessed and whether the recent International Development Association experience indicated that the alignment of functions was becoming increasingly difficult to support. She was also curious to know whether there were any links between the rising trend in funding humanitarian activities and the analysis of the resident coordinator system that had been requested. Resident coordinator functions at the country level overlapped with those of humanitarian coordinators and the increasing number of Special Representatives of the Secretary-General, but that issue had not been taken up in the context of the quadrennial comprehensive policy review.

33. **Mr. Jenks** (Adjunct Professor, School of International and Public Affairs, Columbia University; Senior Adviser, Dag Hammarskjöld Foundation; and former Assistant Secretary-General, United Nations Development Programme) asked the panellists to focus on just one or two questions owing to a lack of time.

34. **Mr. Silberschmidt** (Director ad interim for Coordinated Resource Mobilization, World Health Organization(WHO)), responding to the question from the representative of Algeria, said that the immunization programme was an excellent and necessary means of addressing certain specific vertical tasks. However, he did not believe it would be suitable for financing horizontal functions, such as health systems.

35. The World Health Organization financing dialogue was a way to include other stakeholders, such as global funds, foundations and non-governmental organizations. Member States were responsible for deciding on the budget, following which WHO engaged with all contributors. The reform was broad and was a process of give and take; member States had agreed to make changes to financing and to allow the Director-General full flexibility on the use of assessed contributions. In return, they were given control of the entire budget.

36. In response to the question from the Republic of Korea on currency exposure, he said the World Health Organization had persuaded member States that the currency of income should be more closely aligned with the currency of expenditure. As a Geneva-based organization, it spent a large proportion of its budget in Swiss francs. Half of its assessed contributions were now in Swiss francs; the other half were in dollars. That shift had given the organization more control.

37. **Mr. Feyisa** (Director ad interim, United Nations Agencies and Regional Economic Cooperation Directorate, Ministry of Finance and Economic Cooperation, Ethiopia) said that, in order to mobilize more resources for achievement of the Sustainable Development Goals, strong and sustainable partnerships must be established with different actors. In addition, the system must be able to demonstrate better results delivery in order to attract potential donors.

38. **Mr. Vongxay** (Deputy Director-General, Department of International Organizations, Ministry of Foreign Affairs, Lao People's Democratic Republic) said that many good country programmes had been devised, but funding for their implementation lagged far behind. For many country programme documents, less than 40 per cent of the necessary funding was available to implement the planned activities. It was a major challenge and the United Nations development system should find ways to mobilize support.

39. **Mr. Gillsäter** (Manager and Representative to the United Nations, World Bank Group Office, New York) said that the closer collaboration between the United Nations and the World Bank had been seen everywhere, but it was most obvious in States where development outcomes were affected by fragility, conflict and violence. The leadership shown by the Executive Office of the Secretary-General in addressing individual crises, such as the Haitian earthquake, had been particularly appreciated over the past few years.

Panel discussion: "Improving the governance and coordination of the United Nations development system"

40. **Mr. Lindores** (former Senior Vice-President of the Canadian International Development Agency and former President of the Executive Board of the United Nations Development Programme), moderator, said that the key issues to be covered during the discussion were the role of the Economic and Social Council; the

functioning of the governing boards, particularly the new joint meetings of the Executive Boards; and the relationship between the governance and management structures, such as the United Nations System Chief Executives Board for Coordination and the United Nations Development Group.

41. **Mr. Petersen** (Permanent Representative of Denmark to the United Nations and President of the Executive Board of the United Nations Development Programme/United Nations Population Fund/United Nations Office for Project Services), panellist, said that the function of the executive boards should be to guide strategic policy rather than tackle technical issues. The boards represented the membership in discussions with management, but equally, they represented the programmes and funds with regard to Member States, which gave them a very important role.

42. The boards should focus on areas in which the fund or programme administration needed answers; permanent representatives should provide policy guidance, and there should be fewer long presentations by the funds and programmes. Statements delivered in response to questions posed should not have been prepared weeks in advance and should relate directly to the subject at hand.

43. Much better use could be made of the joint meeting of the boards. Its value should not be underestimated, given the current emphasis on a coherent and coordinated response from the United Nations development system. However, the meeting should consist of serious and policy-oriented discussions. He and the two other permanent representatives on the panel had agreed that they would work towards that goal for the joint meeting to be held in June and hoped that they could rely on the support of the other Member States.

44. The 2017 strategic plans would provide a real opportunity in 2017 to align the United Nations development system with the 2030 Agenda. Input was needed from the Secretary-General, whose report would be published later in the year. That would be the best way to fulfil the governance role where the programmes and funds were concerned and would provide the best platform for discussions in the coming years.

45. **Mr. Webson** (Permanent Representative of Antigua and Barbuda to the United Nations and President of the Executive Board of the United Nations Children's Fund (UNICEF)), panellist, said on the subject of executive boards that the Executive Board of UNICEF, for example, was an important forum, providing important oversight for Member States. The Board also played a crucial role in strategic planning and budgetary processes and in working with the Executive Team in focusing on results. There had been efforts to help the Executive Board recognize that a bottom-up approach was key to ensuring that country programmes obtained the desired results. The Executive Board of UNICEF also represented donors anxious to ensure that money spent in the field would help children in the field.

46. The process of integrating new executive board members should be given consideration. New members should go through a policy initiation process that would enable them to give the leadership the support and information it needed to be more effective in responding to States concerning their objectives. Field visits by board members were a positive development and were important for ensuring a bottom-up approach. The number of informal meetings should be increased in order to broaden input from Member States and deepen engagement.

47. The United Nations Development Programme (UNDP), the United Nations Office for Project Services (UNOPS) and the United Nations Population Fund (UNFPA), in their joint meetings, had had in-depth discussions concerning ethics and internal audit issues. Those discussions should perhaps be expanded to involve UNICEF and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), as they seemed to mirror the discussions that took place at meetings of the Economic and Social Council.

48. There was a perfect opportunity to examine the unique and specific role played by the Economic and Social Council in sustainable development. The Council had a key role in ensuring accountability, reviewing implementation of General Assembly resolutions such as those regarding the quadrennial comprehensive policy review, and making recommendations for further action. The operations of the Economic and Social Council could be made even more focused and useful through annual reporting and review of the data from the previous year, and by moving the operational activities segment to the middle of the year so that the annual report and data from the previous year could be reviewed. The format of discussions could be modified to include greater participation by States, which would allow for more detailed analysis of the delivery process.

49. **Ms. Nusseibeh** (Permanent Representative of the United Arab Emirates to the United Nations and President of the Executive Board, United Nations Entity for Gender Equality and the Empowerment of

Women (UN-Women)), panellist, said that she would address a few key aspects of the quadrennial comprehensive policy review and what it meant for the United Nations development system, in particular, for UN-Women and its governance architecture and system-wide coherence. Any discussion of the quadrennial comprehensive policy review must address the central role accorded to gender equality and women's empowerment. All development system entities must place gender equality and women's empowerment at the centre of their activities, as improving the lives of women and girls would have a multiplier effect in achieving sustainable development. As the mandate of UN-Women was cross-cutting, the entity was uniquely placed to deliver on the quadrennial comprehensive policy review resolution.

50. With respect to the question posed to the panel on the concrete action that could be taken by the Secretary-General to improve working methods, she said that the quadrennial comprehensive policy review had tasked Member States with initiating discussions on the working methods of the governing bodies of United Nations development system entities to improve the quality, efficiency and transparency of the official sessions. The Executive Board of UN-Women intended to follow up on that request. For example, it would consider methods of increasing engagement in Executive Board discussions and making them more participatory, and would also consider methods of strengthening the role of the Bureau of the UN-Women Bureau Executive Board so that it could liaise more effectively with Member States.

51. Successful implementation of the 2030 Agenda required the United Nations system to deliver as one entity, and the quadrennial comprehensive policy review had placed system-wide coherence at its core. Financial stability and predictable funding were preconditions for all development system entities so that they could deliver on their mandates and enhance coordination. The quadrennial comprehensive policy review had also emphasized synergy across governing bodies of the United Nations development system and, to that end, had called for discussions to improve the working methods of the joint meeting of the Executive Boards so that they would provide a more effective platform for dialogue. The new strategic plans of the funds and programmes that were being finalized in 2017 presented an opportunity to adjust the role of the Boards and promote coherence and integration across the participating entities. Presidents of the Executive Boards had already initiated some informal discussions, which, it was hoped, would evolve into a regular exchange of views on enhancing coherence.

52. **Ms. Clark** (Chair, United Nations Development Group (UNDG)), panellist, said that governance and coordination had a purpose, which was to provide the best quality support possible to countries so that they could implement the 2030 Agenda. Collaborative and networked institutions should be promoted over heavily centralized, top-down governance, and twenty-first century approaches to the governance of institutions were needed.

53. The strategic dialogues led by the Economic and Social Council had been useful for their informed input into other United Nations processes, and there should be more of them. Such discussions should also be interactive, with all formal statements eliminated at the Economic and Social Council and other bodies. More could be done to make those meetings more engaging.

54. With respect to the governance of individual entities, the President of the Executive Board of UNICEF had made good points about onboarding of new Bureau members. Some changes to the scheduling of the meetings of the executive boards of funds and programmes could also facilitate their work. The Executive Boards of UNDP/UNFPA/UNOPS and UNICEF held their first meetings very early in their new terms, which was not a sufficient amount of time for onboarding of new Bureau members. The annual Board meeting was held in June and within six weeks of that meeting, documents had to be issued for the next meeting in September, which was a tight schedule. More consideration should be given to how the meetings were spaced during the year.

55. There was often talk about coherence in governance within the development system, but that coherence was not necessarily present across Member States in each of the entities' governing bodies. Drawing on her previous experience in government, she saw a need for improved coordination of the positions that Member States wished to take at the boards of specialized agencies, funds and programmes. Another issue with implications for coherence in governance concerned the policy directions set by Member States. Exhortations to develop policy directions that were more strategic were not always matched by funding that was strategic. The loss of core funding, for example, often impeded the realization of strategic policy goals.

56. **Ms. Bárcena** (Executive Secretary, United Nations Economic Commission for Latin America and the Caribbean (ECLAC)), panellist, speaking on behalf of the five United Nations regional commissions, said that governance and coordination should be improved so as to support Member States in six ways. Firstly, the

United Nations should help Member States develop their national, interinstitutional and intersectoral architecture for the follow-up of the 2030 Agenda, so that the Agenda would be embedded in national policy. Secondly, the Sustainable Development Goals should be integrated into national plans and budgets, as that was the only way to mobilize additional financial resources. Thirdly, there should be support for national institutes that collected and disaggregated statistics and data. Fourthly, implementation should be tailored to the specific situations of countries. For example, countries should receive assistance in analysing their particular fiscal systems, as phenomena such as tax avoidance could have great implications for the implementation of the 2030 Agenda.

57. Fifthly, architectures should be strengthened at the regional level through the establishment of observatories on, inter alia, women's issues, planning or energy. Such observatories would allow countries to see what other countries were doing, and would facilitate peer learning. Sixthly, consideration should be given to how to change the conversation between government, the market and civil society on the 2030 Agenda.

58. The 2030 Agenda represented a new paradigm that called for a new conversation. Geopolitical adjustments in international trade, finance and technology, as well as advances in artificial intelligence, would pose challenges for the 2030 Agenda and its emphasis on addressing inequalities, as the only way to reduce inequality was through employment.

59. The Economic and Social Council was a very important institution within the United Nations system, as it provided the forum for interaction among United Nations commissions, committees and subsidiary bodies. For example, her region was home to the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, which was guided and mandated by the 33 Latin America and the Caribbean States and closely connected to the subsidiary bodies of ECLAC. Individuals from national planning and other ministries were also part of the intergovernmental architecture. That regional forum would provide a platform for the voluntary reports of 11 countries, a peer learning exercise wherein countries could learn how other countries addressed shared issues. Such regional bodies were connected to global bodies such as the United Nations Statistical Commission. The United Nations Development Group for Latin America and the Caribbean was working to establish a single reporting mechanism for the regional forum, and was inviting all the United Nations country teams in the region to align their visions and capacities in order to assist Member States.

60. The Economic and Social Council had also created regional coordination mechanisms that were chaired by the Deputy Secretary-General of the United Nations, who would lead the development pillar reform process. In Africa, efforts were under way to bring the Agenda 2063 of the African Union into line with the 2030 Agenda of the United Nations, in coordination with the African Union Commission and the African Development Bank.

61. **Mr. Lindores** (former Senior Vice President of the Canadian International Development Agency and former President of the Executive Board of the United Nations Development Programme (UNDP)) said that the Chair of the United Nations Development Group, in her remarks earlier in the meeting, had made a case for viewing the system as a collaborative and networked series of governing bodies. That meant that strong central governance was not necessarily required or desirable. However, there was also an alternative view, which was important to understand so that everyone could come to his or her own decision as to which approach was best. That view had been encapsulated in a report commissioned by a team of independent technical advisers during the previous quadrennial comprehensive policy review process. According to the report, the existing governance architecture lacked authority to clearly integrate functions and funding or mechanisms for coordination and integration of functions at the global and regional level, which were critical for supporting the 2030 Agenda. The report had also made the point that it would be difficult, if not impossible, to achieve integration of functions, funding and results at the national and regional levels without commensurate integration of governance functions at the global level. Those were the two views, and both could be valid. The report said that the building blocks should be the joint meetings of the boards of UNDP, UNFPA and UNOPS, which should be systematically and slowly expanded over many years to include all activities that reported to the Secretary-General.

62. **Mr. Higuchi** (Japan) said that currently, joint meetings of the Executive Boards of UNDP, UNFPA and UNOPS were held three times a year and the joint meeting with the Executive Boards of UNICEF and UN-Women was held in June. He would appreciate details on the concrete output and outcome of current joint board meetings, and the difficulties and challenges of coordination. It would also be interesting to hear panellists' views on the enhancement of joint governing bodies as a means of promoting a more

integrated and coherent approach for the United Nations development system.

63. **Mr. Zambrano** (Observer for Ecuador), speaking on behalf of the Group of 77 and China, said that strong follow-up of the implementation of the quadrennial comprehensive policy review by the Economic and Social Council and the General Assembly was vital. Particular attention should be given to the provisions on gender balance, equitable geographical representation and the policy of no monopoly on appointments in the United Nations development system.

64. Developing countries looked forward to engaging with other States at executive board discussions on how to implement the quadrennial comprehensive policy review provisions on working methods. Executive boards should also be spaces for the exchange of good practices. The quadrennial comprehensive policy review stressed the importance of improving the efficiency and effectiveness of the resident coordinator system to better coordinate with United Nations country teams and to work toward the implementation of the United Nations Development Assistance Framework in order to better respond to national plans and strategies.

65. **Mr. Palma Cerna** (Honduras) said that he agreed that the operational activities segment should be moved to later in the year. In addition, instead of closing the segment after three days, the Council should leave open the possibility of holding a meeting at a later date to discuss specific issues.

66. Drawing on the analogy between United Nations entities and software applications united by a common platform, he stressed the importance of mutual compatibility among the applications themselves. The Jackson Report: A Study of the Capacity of the United Nations Development System, issued in 1969, provided examples of situations in which members of governing bodies of specialized agencies had expressed positions that were inconsistent with the views expressed by their Governments in other forums. In that connection, States must ensure greater coherence in their actions at different levels of governance. Executive boards, in addition to the secretariats of funds and programmes, thus had a critical role to play in strengthening system-wide coherence and coordination.

67. The Council must identify ways to capitalize on the work of subsidiary bodies, not only to better inform its discussions at Headquarters but also to ensure that issues considered by the Council were reflected in the more specialized discussions of subsidiary bodies. Recalling that the region of Latin America and the Caribbean was composed primarily of middle-income countries, he suggested that subsidiary bodies might address the topic of the mandate under the Addis Ababa Action Agenda and the 2030 Agenda to create indicators for measuring development that went beyond income.

68. **Ms. Mejía Vélez** (Colombia) said that integration was often more effective on the ground than at Headquarters, as demonstrated by Colombia's experience in implementing reforms aimed at ending the conflict with the Fuerzas Armadas Revolucionarias de Colombia — Ejército del Pueblo (FARC-EP), which had required close coordination among the 27 agencies represented by the United Nations country team and the United Nations Mission in Colombia. Similar coordination would be required to ensure consistency between implementation of the 2030 Agenda and national development plans.

69. The Deputy Secretary-General would play a critical role in supporting the peace process in her country. She welcomed the progress made in implementing the 2016 quadrennial comprehensive policy review and underscored the important work of ECLAC in her region. She also looked forward to the Statistical Commission's upcoming presentation of the draft resolution on the global indicator framework for the Sustainable Development Goals and the submission by 43 countries, including 13 Latin American countries, of national voluntary reports on implementation of the 2030 Agenda in 2017. As the Council was the designated forum for reviewing matters related to the working methods of United Nations system entities, she hoped that participants' suggestions would be taken into account at its 2018 session and at the joint meetings of the executive boards.

70. **Ms. Zahir** (Observer for Maldives), speaking on behalf of the Alliance of Small Island States, underscored the need for the development system to ensure greater transparency with regard to functions and reporting lines, particularly in reporting back to Member States on progress made in implementing the quadrennial comprehensive policy review. She looked forward to further reporting from the Secretary-General on the work of various actors in the development system, including the United Nations System Chief Executives Board for Coordination and UNDG, as well as information with regard to the proposed role of the Council and the General Assembly in the follow-up and implementation of the quadrennial comprehensive policy review. Equitable gender balance and geographical representation must also be

ensured throughout the development system, including on executive boards.

71. **Ms. Oliveira Sobota** (Brazil) said that paragraph 44 of General Assembly 71/243 on the governance architecture of the development system, while not as ambitious as some participants might have hoped, established clear guidelines aimed at achieving meaningful results. She welcomed the appointment of a Deputy Secretary-General focused on development, as proposed by the Independent Team of Advisors to the Council Bureau.

72. Secretariats and Member States alike must work gradually to shift the culture of board meetings towards a more interactive approach. Efforts must also be made to address the underrepresentation of members of the Group of 77 and China on executive boards, a structural problem that undermined the boards' legitimacy. As such countries had relatively small missions and capitals, they often participated in board meetings// on a limited basis as observers and were consequently unable to follow discussions to the same extent as countries with greater representation. The Secretariat must therefore request all observer missions to designate focal points to be added to a comprehensive mailing list, in order to ensure that they received information and draft documentation relating to board meetings on a systematic basis. The fact that such meetings were often scheduled during the summer holidays for many countries of the South further hindered the participation of developing countries.

73. The timely dissemination of documentation, including draft documentation, was critical for strategic planning and ensuring equal participation by all Member States and regional groups. The joint meetings of executive boards should also focus less on thematic issues and more on system-wide follow-up of the quadrennial comprehensive policy review. In addition, as many of the guidelines of CEB affected programming and operational activities for development, greater transparency with regard to its activities was required in order to strengthen ownership of its decisions. Lastly, she appreciated the work of regional commissions and bureaux, as well as the establishment by ECLAC of the Forum of the Countries of Latin America and the Caribbean.

74. **Ms. Clifford** (Australia) said that discussions at Headquarters should reflect the collaborative approach to governance required by an increasingly diversified and interconnected global economy. In particular, representatives in New York could be more engaged in the work of regional hubs, including efforts to reform field operations. Adjusting the timing and sequencing of meetings would also facilitate ambassadors' participation in policy discussions. Lastly, the work of executive boards and the Council could be modified to reflect a more transactional approach, with a view to ensuring the effective utilization of accountability mechanisms.

75. **Ms. Luo** Jin (China) stressed the need to foster a culture of cooperation among field staff to improve coherence at the country level, particularly by encouraging staff to move between agencies. In addition, agencies focusing on related areas should complement each other's work; for example, UNICEF, UNFPA and UN-Women could collaborate on initiatives relating to women and girls. Efforts must also be made to strengthen resident coordinators' leadership of country teams while observing reporting lines between those teams and headquarters offices.

76. To avoid creating a large centralized management system with wasteful and inefficient working methods, agencies must strive to improve coordination; set straightforward objectives, strategies, and principles; and provide clear guidance to country offices. In addition, joint meetings of executive boards should serve a clear purpose and have specific agendas focusing on issues of practical importance. Lastly, national capacities should be strengthened with a view to reducing fragmentation in management functions at the country level.

77. **Mr. Egli** (Observer for Switzerland) said that the Council must become a mechanism for overseeing the strengthening of horizontal governance of the development system, with a particular focus on the system's contribution to the implementation of the 2030 Agenda. In addition, the joint meetings of executive boards should play a greater role in making decisions on issues pertaining to more than one agency. In that connection, a number of ambiguities regarding the roles and responsibilities of the boards, bureau members and management personnel should be clarified, particularly in relation to the type of topics to be discussed and the number of informal and formal meetings to be held each year.

78. **Mr. Won** Do-Yeon (Republic of Korea) said that board meetings should be more interactive, with a stronger focus on strategies and policies rather than technical issues. Efforts should also be made to draw on the practices of agencies outside of the United Nations system in that regard.

79. **Ms. Clark** (Chair, United Nations Development Group (UNDG)) said that building a strong horizontal platform for governance, coordination and leadership across the diverse governance structures of the United

Nations system would be preferable to the vertical approach advocated by the Independent Team of Advisors. Such coordination would require considerable investment in compatible systems and procedures, as well as leadership training. Joint board meetings must also be more interactive and strategic and should involve the participation of field staff and senior leadership from different agencies.

80. Colombia's experience illustrated the critical need to strengthen the peace-humanitarian-development nexus, which would require promoting interoperability, including joint and shared analysis, planning, programming and reporting. Lastly, she agreed that documentation pertaining to board meetings must be disseminated to all missions, including potential observers.

81. **Ms. Nusseibeh** (Permanent Representative of the United Arab Emirates to the United Nations and President of the Executive Board, United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women)) said that no concrete outcomes had been identified for the joint board meetings; rather, it was up to the members of individual executive boards to apply the insights gained from such discussions in the context of their own work. Member State-driven efforts were needed to make the meetings more substantive, targeted and relevant to field operations.

82. Speaking as Permanent Representative of the United Arab Emirates, she agreed that more should be done to help smaller missions follow board meeting discussions, including by improving software and other mechanisms used for dissemination and outreach. Lastly, she echoed the sentiment expressed by the Secretary-General that reform should be a permanent attitude rather than a one-time effort.

83. **Mr. Webson** (Permanent Representative of Antigua and Barbuda to the United Nations and President of the Executive Board, United Nations Children's Fund (UNICEF)) said that ensuring greater continuity in the composition of the boards from year to year could improve overall coherence. Field staff should be encouraged to participate in joint board meetings. In order to improve coordination in the work of the executive boards, it would also be useful to examine collaboration among field staff on the ground, which was often stronger than at Headquarters.

84. **Mr. Petersen** (Permanent Representative of Denmark to the United Nations and President of the Executive Board of the United Nations Development Programme/United Nations Population Fund/United Nations Office for Project Services) stressed the need to view the enhancement of the boards' working methods as an integral part of the entire United Nations reform agenda. It would also be critical to address the trust deficit in the development system to ensure greater openness, transparency and accountability.

85. Efforts must be made to improve the efficiency of existing bureaucratic structures and to strike an appropriate balance between the need for greater coordination at the country level and the need for strong centralized governance. In 2017, the joint meeting of the Executive Boards of UNDP/UNFPA/UNOPS would focus on the implementation of the quadrennial comprehensive policy review and improving the sequencing of board meetings, which could be done with the approval of Member States.

86. **Ms. Bárcena** (Executive Secretary, United Nations Economic Commission for Latin America and the Caribbean (ECLAC)) said that the Council was the appropriate forum for strengthening multilateralism and establishing horizontal, system-wide governance, in conjunction with a vertical, bottom-up approach. Through their close cooperation with Member States and country teams, regional institutions had an important role to play in that regard.

87. With its Committee of Experts on International Cooperation in Tax Matters, the Council could contribute meaningfully to improving global governance in the area of fiscal policy, particularly as the International Monetary Fund and the World Bank had failed to adequately address developing countries' needs. Regional commissions also had an essential role to play in development efforts.

The meeting rose at 1.10 p.m.